

FISCAL YEAR 1999/2000

YEAR 2000

FUNDING REQUEST PROCESS

Elias S. Cortez
Chief Information Officer

State of California
Department of Information Technology

801 K Street, Suite 2100

Sacramento, CA 95814

Phone: (916) 445-5900

Fax: (916) 445-6524

www.doit.ca.gov



July 1, 1999

TABLE OF CONTENTS

DEPARTMENT OF INFORMATION TECHNOLOGY 1999/2000 YEAR 2000 FUNDING REQUEST PROCESS.....	2
PURPOSE.....	2
SCOPE.....	2
ELIGIBILITY	2
EXCLUSIONS	2
BACKGROUND.....	2
APPROPRIATION GUIDELINES.....	3
CONDITIONS FOR SUBMITTAL	3
REVIEW TIMEFRAMES	4
DOIT'S GENERAL FRP EVALUATION CRITERIA	4
FUNDING REQUEST PROCEDURE	5
FRP COMPLETION INSTRUCTIONS.....	6
TRANSMITTAL OF STATE ENTITY REQUEST (FORM 1)	6
SYSTEM REMEDIATION FISCAL SUMMARY (FORM 2)	6
BUDGET AUGMENTATION BY FUND SOURCE (FORM 3)	7
DESCRIPTION OF PROPOSED ACTIVITY	7

DEPARTMENT OF INFORMATION TECHNOLOGY 1999/2000 YEAR 2000 FUNDING REQUEST PROCESS

Purpose

The Department of Information Technology (DOIT) has established a formal procedure for State entities to request funding from the 1999/2000 Year 2000 Appropriation. The 1999 Budget Act Appropriation is intended exclusively for century change information technology activities, namely mission-critical information technology (IT) systems, associated desktop systems (DT) and embedded systems (ES).

Scope

This process is in effect for the 1999/2000 Fiscal Year only and can be used by State entities to request funding from the 1999/2000 Year 2000 Appropriation. The Appropriation is allocated across the General Fund, Special Funds, and Non-Governmental Cost Funds. The Director of Finance may authorize expenditures in excess of the amount appropriated for each of these funds.

Eligibility

To be eligible for Year 2000 Funding, an entity must follow the 1999/2000 Year 2000 Funding Request Process, and comply with the methodology defined in the California Year 2000 Program Guides and DOIT's Y2K reporting requirements.

Exclusions

The Legislature, the University of California, the California State University, the State Compensation Insurance Fund, and any agency provided for by Article VI of the California Constitution are ineligible to receive allocations from this appropriation.

Background

An appropriation is included in the 1999 Budget Act for Year 2000 funding augmentations in support of IT century change activities for:

- Mission-critical systems;
- Desktop systems supporting mission-critical systems; and
- Embedded systems that impact a mission-critical service area.

DOIT's definition of mission-critical is as follows:

“An automated system whose unavailability or failure, partial or complete, would significantly impact or impair the successful delivery of a vital government service or mission, as listed below:

- ❑ *Public safety*
- ❑ *Public health*
- ❑ *Law and justice*
- ❑ *Environmental protection*
- ❑ *Human services*
- ❑ *Mission-critical operations”*

Eligible State entities may request funding by submitting a completed Year 2000 Funding Request Package (FRP). DOIT will review applications for funding in accordance with Items 9904-001-0001, 9904-001-0494, and 9904-001-0988 of the 1999 Budget Act. The Department of Finance (DOF) will allocate the Appropriation in accordance with these Budget Act Items.

Appropriation Guidelines

This appropriation applies exclusively to activities that are necessary and sufficient to bring existing mission-critical IT systems, associated desktop systems and embedded systems into Year 2000 compliance. Departments may also request funding for the procurement of software tools to determine the Year 2000 compliance of desktops as documented in Appendix B of the *California Year 2000 Desktop Systems Program Guide*.

Wholesale replacement of IT systems, even if specifically undertaken for century change correction, requires DOIT and DOF approval through the standard FSR process. DOIT will not review FRPs that require an FSR until the FSR has been supported or approved by DOIT.

Departments requesting funding through the FRP process for desktop system replacements are required to comply with the procedures and documentation contained in the May 3, 1999 version of the *Desktop Systems Replacement Guidelines for Year 2000 Funding Requests* (www.doit.ca.gov). These guidelines will assist State entities in complying with the requirements for replacing desktop systems that support mission-critical systems or functions.

Requests for funding through the 1999/2000 Y2K Appropriation must be reviewed and approved by DOIT and DOF, and a 30-day notification provided to the Legislature, prior to allocation of funds.

Conditions for Submittal

Prior to submitting a Funding Request Package, departments must comply with the conditions outlined below¹:

1. Mission-critical IT systems, desktop systems supporting mission-critical systems, and embedded systems that impact a mission-critical service area, *for which funds are being requested*, must be reported and prioritized through the Detailed Department Assessment (DDA) and Corrective Action Plan (CAP) processes. Entities are expected to prioritize these systems across the enterprise prior to submitting a Year 2000 funding request. Fund-

¹ Reference Department of Finance Budget Letter 99-08, *Funding Process for Century Change Preparedness*, for additional information.

ing will not be considered for other “best practice” recommendations resulting from the DDAs/CAPs. Year 2000 projects must be given the highest priority, enterprisewide, excluding Executive Branch or Legislative Branch mandates.

2. Prior to requesting supplemental Year 2000 Funding for century change activities, entities are expected to redirect funds on an enterprisewide basis, and to verify that all other funding opportunities have been exhausted.
3. Where appropriate, entities receiving federal funding for system maintenance are required to investigate the availability of federal funds for Year 2000 correction prior to submittal of an FRP.
4. Requests from the 1999/2000 Year 2000 Appropriation should be made for only those information technology and desktop systems that support mission-critical systems. Requests for embedded systems should be made for only those systems that impact a mission-critical service area.²
5. Funding requests for software and hardware must be limited to components necessary to bring a mission-critical IT system or associated desktop system into Year 2000 compliance.

Review Timeframes

Each request will be reviewed on a first-in-first-out (FIFO) basis. It is DOIT’s intention to process each request and forward approved requests to DOF as expeditiously as possible.

After DOF review and approval, DOF submits the request to the Legislature. The Budget Act of 1999 provides a mechanism for DOF to allocate funds after a 30-day notification to the Legislature. To expedite the allocation process, DOF will request a waiver to the 30-day notification requirement for all FRPs. However, the Joint Legislative Budget Committee (JLBC) is not required to grant a waiver.

DOIT’s General FRP Evaluation Criteria

DOIT will validate all requests based on the requirements in Items 9904-001-0001, 9904-001-0494, and 9904-001-0988 of the 1999 Budget Act, and the entity's assessment of the:

Program Factors:
Mission-criticality of the IT system, desktop system, or embedded system, in terms of public safety, public health, law and justice, environmental protection, human services, or mission-critical operations
Possible impact of system failure on a business program
System priority (from the DDA process)

² Note that the embedded system must be a component of a State-owned building or system.

Proposed Expenditures:
Estimated costs
Reasonableness of the funding for the proposed activities
Entities' verification of redirection of monies
Other Reasonableness Tests:
Reasonableness of the proposed solution
Reasonableness of the schedule for completing the proposed activities
Consistency with Policies, Plans, and Procedures:
Consistency with the department's DDA, IV&V Report, and CAP
Consistency with DOIT's Year 2000 policies

Funding Request Procedure

For funding in each of the Year 2000 Program areas – IT, DT and ES – the following procedure³ must be followed:

1. The department obtains a copy of the FY 1999/2000 Year 2000 Funding Request Package from DOIT's website (www.doit.ca.gov) or from DOIT's Year 2000 Funding Unit at (916) 445-5900.
2. The department submits the Funding Request Package containing the following components:
 - a) FRP Transmittal of State Entity Request (Form 1)
 - b) System Remediation Fiscal Summary (Form 2)
 - c) Budget Augmentation by Fund Source (Form 3)
 - d) Description of Proposed Activity (see FRP Completion Instructions)
3. Submit the completed Year 2000 Funding Request Package (three printed copies) to DOIT's Year 2000 Funding Unit – FRP, 801 K Street, Suite 2100, Sacramento, CA, 95814.
4. A departmental presentation is included in the process to expedite and facilitate analysis of the FRP. DOIT will invite the department's Year 2000 Project Manager and Budget Officer to present the FRP and address questions that may arise; DOF staff will also be invited to participate in this session.
5. DOIT transmits the FRP and its position to DOF. After DOF review and approval, the department submits the Combined Year 2000/Section 11 Form to DOF. DOF then submits the request to the Legislature. The 1999 Budget Act provides a mechanism for DOF to allocate funds after a 30-day notification to the Legislature. To expedite the allocation process, DOF will request a waiver to the 30-day notification requirement for all FRPs. However, the JLBC is not required to grant a waiver.

³ For questions regarding the procedure, contact DOIT's Year 2000 Funding Unit at (916) 445-5900.

FRP COMPLETION INSTRUCTIONS

Transmittal of State Entity Request (Form 1)

Each funding request submitted to DOIT must include one "Transmittal of State Entity Request" attached with the required signatures:

1. Y2K Project Manager;
2. Budget Officer;
3. CIO;
4. Director;
5. Agency Secretary or Undersecretary (if applicable).

Also included on the transmittal sheet are the total Year 2000 expenditures for 1999/2000, including total budgeted dollars, total redirected dollars, and the total Year 2000 1999/2000 Appropriation Amount Requested for this system or activity. The 1999/2000 Year 2000 Appropriation Amount Requested must equal the total of the FY 1999/2000 Appropriation Amount Requested identified on the System Remediation Fiscal Summary (Form 2). Further, the transmittal sheet serves as a departmental verification that all other funding sources have been exhausted.

System Remediation Fiscal Summary (Form 2)

Submit one "System Remediation Fiscal Summary" form with each 1999/2000 Year 2000 funding request package. Each form requires the following information:

1. **Year 2000 Program Indicator:**
 - IT for information technology systems;
 - DT for desktop systems;
 - ES for embedded systems.
2. **System Name:** Name of each system for which funding is being requested, as reported in the department's DDA.
3. **\$ Expended to Date:** Total amount expended to date on Year 2000 activity for the system.
4. **Budgeted:** Total amount budgeted for this Y2K activity for the system in 1999/2000.
5. **Redirected:** Total amount redirected for this Y2K activity for the system in 1999/2000.
6. **Y2K Appropriation Amount Requested:** 1999/2000 Year 2000 Appropriation amount being requested for this system activity.
7. **Fiscal Year Total:** Total expenditure for this Y2K activity for the fiscal year.
8. **Amount Allocated to Contracts:** This amount is that subset of the 1999/2000 Year 2000 Appropriation Amount Requested that is allocated for contracts.

If Year 2000 remediation work will result in anticipated costs in FY2000/2001, the amounts must be identified by fiscal year 1999/2000 and 2000/2001.

Budget Augmentation by Fund Source (Form 3)

Submit one "Budget Augmentation by Fund Source" form for each system for which Year 2000 remediation funds are being requested. Each form requires the following information:

1. System Name

2. Source of Funds

- ☐ **Appropriation No.:** Enter the 4-digit Organization, Reference and Fund codes in the appropriate location (i.e., General Fund, Special Funds, Federal Funds, Other Funds, or Reimbursements).
- ☐ **1999/2000 Budget Year – Y2K Appropriation Amount Requested:** Enter the amount requested for the 1999/2000 fiscal year from the appropriate fund source (i.e., General Fund, Special Funds, Federal Funds, Other Funds, Reimbursements).
- ☐ **1999/2000 Budget Year – Amount Allocated to Contracts:** Enter the amount allocated to contracts for the 1999/2000 fiscal year from the appropriate fund source. (This amount is a subset of the 1999/2000 Y2K Appropriation Amount Requested.)
- ☐ **2000/2001 Budget Year – Estimated Funds Needed:** Enter the estimated amount that will be requested for the 2000/2001 budget year in the appropriate fund source location.
- ☐ **2000/2001 Budget Year – Estimated Amount Allocated to Contracts:** Enter the estimated amount allocated to contracts for the 2000/2001 budget year for the appropriate fund source. (This amount is a subset of the Funds Needed.)

3. Totals

For each budget year section (1999/2000, 2000/2001), total the columns for Y2K Appropriation Amount Requested, Amount Allocated to Contracts, and Estimated Funds Needed. The total for all fund sources for the 1999/2000 Budget Year should equal the 1999/2000 Y2K Appropriation Amount Requested on Form 2.

Description of Proposed Activity

The description of the proposed activity for which Y2K funding is requested should be brief and concise. While some of the requested information is contained in the department's DDA, IV&V Report, and CAP, summarizing the requested information in a brief narrative will expedite the DOIT, DOF, and Legislative review processes. It is acceptable to use text directly from these documents as appropriate. The activity description must include the following information:

☐ **Identification of the Y2K problem**

Identify and briefly describe the Y2K problem as it impacts a mission-critical information system, desktop system, or embedded system.

❑ **Substantiation of the Y2K problem**

Provide copies of vendor documentation or summarized in-house test results substantiating the Y2K problem.

❑ **Mission-critical business processes impacted by the Y2K problem and programmatic consequences if not remediated**

(1) Briefly explain the mission-critical business processes supported by the system which would be impacted by a potential Y2K disruption. (2) Also describe the consequences to one of more of the department's business programs should the Y2K disruption occur. Quantify, where possible, the financial or other impact.

❑ **Alternatives considered in remediating the problem and factors in determining the proposed alternative**

(1) Briefly identify other alternatives considered to remediate the Y2K problem, such as a software patch, software upgrade, hardware replacement, etc. (2) Also briefly describe the factors the department considered in selecting the proposed solution.

❑ **Description of proposed Y2K solution**

Briefly describe the Y2K solution proposed through this FRP. Also identify any continuing information technology activities the department anticipates as a result of this activity.

❑ **Amount of request and anticipated funding source**

(1) Identify the dollar amount of the Y2K fund request. Cost detail should include staff, hardware, software, data center services, contract services, and agency facilities, as appropriate. Use the following definitions for the cost categories:

- ❖ **Staff:** PYs and personal services costs (salaries and wages, and staff benefits) of departmental personnel performing or assisting with the Y2K remediation, such as systems analysis, design, construction, testing, conversion, and installation.
- ❖ **Hardware:** Costs of one-time purchase, installment purchase, or lease purchase of vendor-supplied computer hardware or embedded system hardware.
- ❖ **Software:** Costs of one-time purchase or installment purchase of vendor-supplied system software, application software, or embedded system software.
- ❖ **Data Center Services:** Costs of State data center services, such as one-time consulting or computer processing for system development, implementation, or Y2K testing.
- ❖ **Contract Services:** Costs of contracted services (not included elsewhere), such as consulting, programming, and data conversion provided by other departments and/or non-State entities for system development, implementation, or Y2K testing.
- ❖ **Agency Facilities:** Costs of acquiring any new physical facilities, such as floor space and non-IT equipment, needed as a result of this activity.
- ❖ **Other:** Operating Expenses and Equipment costs for personnel included in the "Staff" cost element, and any other system development/implementation expenses (such as supplies, utilities, and training) not included in the other cost elements.

(2) Also identify any *incremental* continuing costs (above and beyond the continuing costs of the existing information system, desktop system, or embedded system). Continuing costs (ø-

erations/maintenance costs) represent the yearly costs associated with ongoing operation of the proposed solution. Use the cost categories above.

(3) Identify the expected funding source for the proposed activity. The department may be proposing any combination of FRP funds, redirected funds, grant funds, etc. Note the means by which the department will be funding any ongoing costs, particularly a Budget Change Proposal or redirection. If federal funding is available for the business program, explain and cite the amount available. If the department has applied and received approval for federal funding, indicate the approval date and the amount approved. DOIT may request copies of the application for federal funding and the response.

❑ **Involvement of State staff vs. vendor resources**

Describe the relative involvement of State and vendor staff, if any, in the proposed remediation effort. Identify the number of State staff to be involved in the effort; whether the State staff are permanent or limited-term; the amount of overtime, if any, that will be required; and the estimated time period the resources will be required. Also briefly describe the roles and responsibilities of the State staff and the vendor staff, respectively.

❑ **Procurement mechanism**

Identify the anticipated mechanism for procuring any proposed hardware, software, consulting services, etc. Common examples include CMAS, MSA, the State Computer Store, and so forth.

❑ **Schedule**

Provide a high-level schedule of the tasks, deliverables, and milestones associated with the proposed remediation effort. If consultant hours are involved, make sure they are consistent with the schedule provided.

❑ **What is being replaced (if applicable)**

If the proposed remediation involves replacement of existing hardware, software, or embedded systems, identify the component(s) that will be replaced.

❑ **Resource impacts, if any, on other organizations**

Identify any foreseen impacts on the resources of other organizations that will likely result from the proposed remediation effort. For example, proposed testing might require additional data center processing resources; procurement of Y2K-compliant hardware might require additional data center support; and software remediation might impact the State's external interfaces with county-level organizations. If associated resource impacts are identified, please indicate current and planned actions to be taken to address these impacts.

❑ **If the request includes replacement of desktop systems, attach documentation outlined in DOIT's *Desktop Systems Replacement Guidelines for Year 2000 Funding Requests***

The required documentation includes a Desktop Systems Inventory, a Proposed Hardware Replacement Inventory, a Proposed Software Inventory, and a Business Impact Assessment. Refer to the *Desktop Systems Replacement Guidelines for Year 2000 Funding Requests* (www.doit.ca.gov) for additional information.

FISCAL YEAR 1999/2000

YEAR 2000

FUNDING REQUEST PACKAGE

FORMS

Transmittal of State Entity Request (Form 1)
System Remediation Fiscal Summary (Form 2)
Budget Augmentation by Fund Source (Form 3)
FRP Submission Checklist



1999/2000 Year 2000 Funding Request Transmittal of State Entity Request

TO: Department of Information Technology
ATTN: Y2K FUNDING UNIT
801 K Street, Suite 2100
Sacramento, CA 95814
Phone (916) 445-5900
Fax (916) 445-6524

FROM: _____

Phone: _____
Fax: _____

Year 2000 Planned Expenditures for 1999/2000

Budgeted	Redirected	1999/2000 Year 2000 Appropriation Amount Requested	Fiscal Year Total
\$	\$	\$	\$

The undersigned verify that the information included in this Y2K Funding Request accurately represents the entity's Y2K requirements, and that all other funding opportunities have been exhausted.

Y2K Project Manager's Signature

Date

Printed Name

Budget Officer's Signature

Date

Printed Name

CIO's Signature

Date

Printed Name

Director's Signature

Date

Printed Name

Agency Secretary or
Undersecretary Signature

Date

Printed Name

1999-2000 Y2K Funding Request

System Remediation Fiscal Summary

Dollars in Thousands												
Y2K Program (IT,DT,ES)	System Name	\$ Expended to Date	Y2K Expenditures for 1999/2000					Y2K Expenditures for 2000/2001				
			Budgeted	Redirected	1999/2000 Y2K Approp. Amount Requested	Fiscal Year TOTAL	Amount Allocated to Contracts ¹	Budgeted	Redirected	Estimated Funds Needed	Fiscal Year TOTAL	Estimated Amount Allocated to Contracts ²
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
System TOTALS		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

¹ This amount is a subset of the 1999/2000 Y2K Appropriation Amount Requested.

² This amount is a subset of the 2000/2001 Estimated Funds Needed.

1999/2000 Year 2000 Funding Request

Budget Augmentation by Fund Source Dollars in Thousands

System name:							
				1999/2000 Budget Year		2000/2001 Budget Year	
		Appropriation No.		Y2K Approp. Amt. Requested	Amount Allocated to Contracts ¹	Estimated Funds Needed	Estimated Amount Allocated to Contracts ²
Source of Funds		Org-	Ref-				
General Fund					\$	\$	\$
Special Funds (specify below):							
					\$	\$	\$
					\$	\$	\$
					\$	\$	\$
					\$	\$	\$
					\$	\$	\$
Federal Funds					\$	\$	\$
Other Funds (specify below):							
					\$	\$	\$
					\$	\$	\$
					\$	\$	\$
Reimbursements					\$	\$	\$
Totals:					\$	\$	\$

¹ This amount is a subset of the 1999/2000 Y2K Appropriation Amt. Requested.

² This amount is a subset of the 2000/2001 Estimated Funds Needed.

**DEPARTMENT OF INFORMATION TECHNOLOGY
1999/2000 Y2K FUNDING REQUEST PROCESS
SUBMISSION CHECKLIST**

The following checklist will be used to determine whether the FRP package being submitted is complete. If any of the required items are missing, the entire package will be returned to the entity for completion. ***Refer to the FRP Completion Instructions, pages 6-10, for assistance in providing the required information.*** The Department Y2K Project Manager is responsible for ensuring that the following items are included:

- ☐ **Transmittal of State Entity Request [Form 1] – all required signatures included**
- ☐ **System Remediation Fiscal Summary [Form 2]**
- ☐ **Budget Augmentation by Fund Source [Form 3]**
- ☐ **Description of the Proposed Activity:**
 - ☐ Identification of the Y2K problem
 - ☐ Substantiation of the Y2K problem (e.g., vendor documentation or in-house test results)
 - ☐ Mission-critical business activities impacted by the Y2K problem and programmatic consequences (financial if applicable) if not remediated
 - ☐ Alternatives considered in remediating the problem (e.g., patch, upgrade, replace) and factors in determining the proposed alternative
 - ☐ Description of proposed Y2K solution
 - ☐ Amount of request and anticipated funding source
 - ☐ Involvement of State staff vs. vendor resources
 - ☐ Procurement mechanism
 - ☐ Schedule
 - ☐ What is being replaced (if applicable)
 - ☐ Resource impacts, if any, on other organizations, e.g., State data centers, counties, etc.
 - ☐ If desktop remediation, attach documentation outlined in DOIT's Desktop Systems Replacement Guidelines for Year 2000 Funding Requests